



Earning Results Briefing for 1Q/2019

August 1, 2019 (Thursday)

SKY Perfect JSAT Holdings Inc.

Statements about the SKY Perfect JSAT Group's forecasts, strategies, management policies, and targets contained in this presentation that are not based on historical facts constitute forward-looking statements. These statements are based on management's assumptions, plans, expectations and judgments in light of information available at the time. These forward-looking statements are subject to a variety of risks and uncertainties. Therefore, actual results may differ materially from forecasts. The primary risks and uncertainties currently assumed by the SKY Perfect JSAT Group include, but are not limited to, the following:

<General Management Risks>

- Risks related to constraints imposed on the Group's business due to legal regulations related to Group's business operations
- Risks related to customer information security and trouble of customer information management system
- Risks related to major equipment failures due to large-scale disasters

<Risks related to Satellite Infrastructure>

- Risks related to communications satellite malfunctions and/or impaired operations
- Risks related to communications satellite acquisition
- Risks related to securing satellite insurance

<Risks related to Multichannel Pay TV Broadcast Platform Services>

- Risks related to subscriber acquisition/retention
- Risks related to broadcasters
- Risks related to subscriber management system
- Risks related to IC card security, etc.

Consolidated Business Performance for 1Q/2019

- Both revenue and profit made progress as planned.

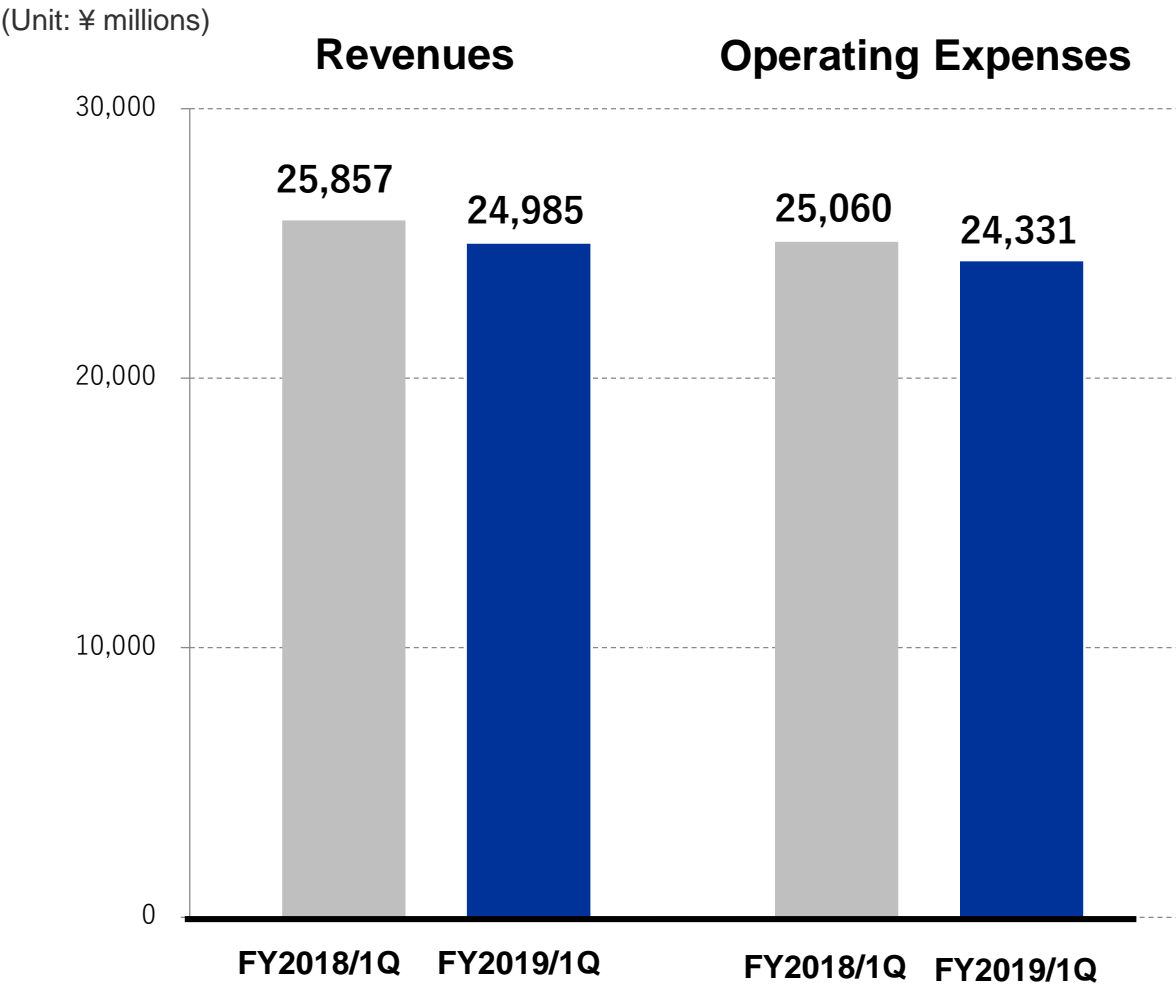
Space Business had decreased revenue and profit due to handover of the satellite to the Ministry of Defense and a decrease in sales (¥23 billion) on 1Q 2018.

(Unit: ¥ millions)

	FY2018/1Q	FY2019/1Q	Year-On-Year Comparison	Progress on FY2019 Forecast	FY2019 Full-Year Forecast
Revenue	58,772	34,519	(41.3%)	24.1%	143,500
Operating Income	4,646	3,694	(20.5%)	24.6%	15,000
Ordinary Income	5,090	3,807	(25.2%)	24.6%	15,500
Profit Attributable to Owners of Parent	3,321	2,464	(25.8%)	24.6%	10,000
EBITDA *	11,346	10,821	(4.6%)	25.8%	42,000

*1: EBITDA is calculated as Net Income + Tax Expense + Goodwill Amortization + Depreciation Expense+ Interest Expense

■ Revenues of optical retransmission service had increased 0.5 billion yen.



Revenues (¥0.87B)*

<Main Factors for Increases or Decreases>

- Decrease in subscription fees : (¥1.1B)
- Decrease in business commission fees : (¥0.2B)
- Increase in optical retransmission service fees : +0.5B
- Decrease in other revenues : (¥0.1B)

Operating Expenses (¥0.73B)*

<Main Factors for Increases or Decreases>

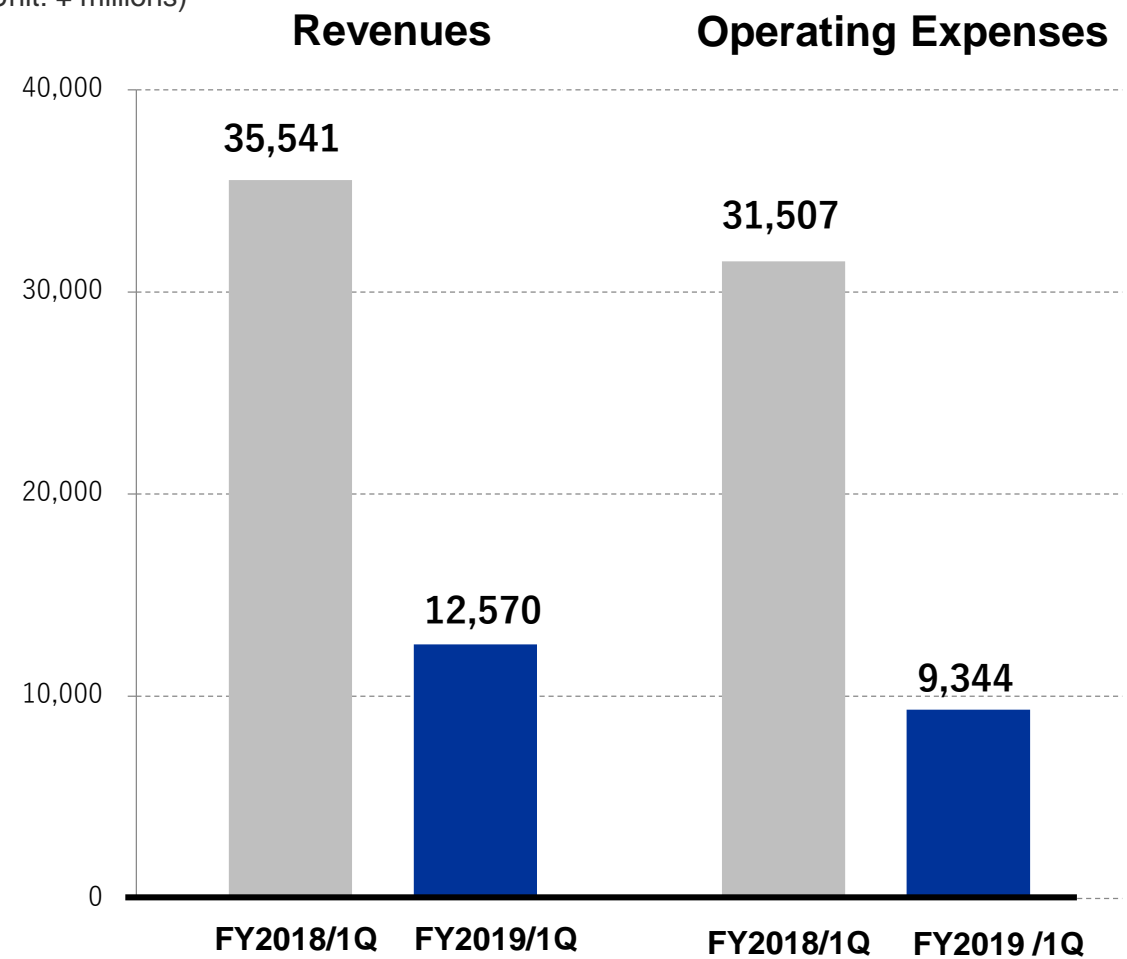
- Decrease in content costs : (¥0.8B)
- Decrease in program provision expenses : (¥0.5B)
- Increase in depreciation expenses : +¥0.8B
- Increase in usage fee for transponders : +¥0.3B
- Decrease in other expenses : (¥0.5B)

* Inter-segment Transactions included.

Earnings Overview for Space Business (Year-on-Year Comparison)

- Space Business had decreased revenue and profit due to handover of the satellite to the Ministry of Defense in sales (¥23 billion) on 1Q 2018.
- Horizons 3e contributed to revenue of Space Business by 0.1billion yen.

(Unit: ¥ millions)



Revenues (¥22.97B)*

- <Main Factors for Increases or Decreases>**
- Handover of the satellite to the Ministry of Defense and a decrease in sales : (¥23.0B)
 - Increase in operating income of North American subsidiary : +¥0.1B
 - Increase in broadcasting transponder-related revenues : +¥0.3B
 - Decrease in other revenues : (¥0.4B)

Operating Expenses (¥22.16B)*

- <Main Factors for Increases or Decreases>**
- Decrease in depreciation expenses : (¥0.2B)
 - Increase in operating expenses of North American subsidiary : ¥+0.3B
 - Decrease in satellite business related cost : (¥22.3B)

Media Business

All new 4K/8K satellite broadcasting channels are now available with optical lines

* Up to September 2019

Started provision in December 2018



Starting provision in September 2019



The dedicated adapter eliminates the need to renovate indoor equipment



Number of apartment buildings with optical service increasing

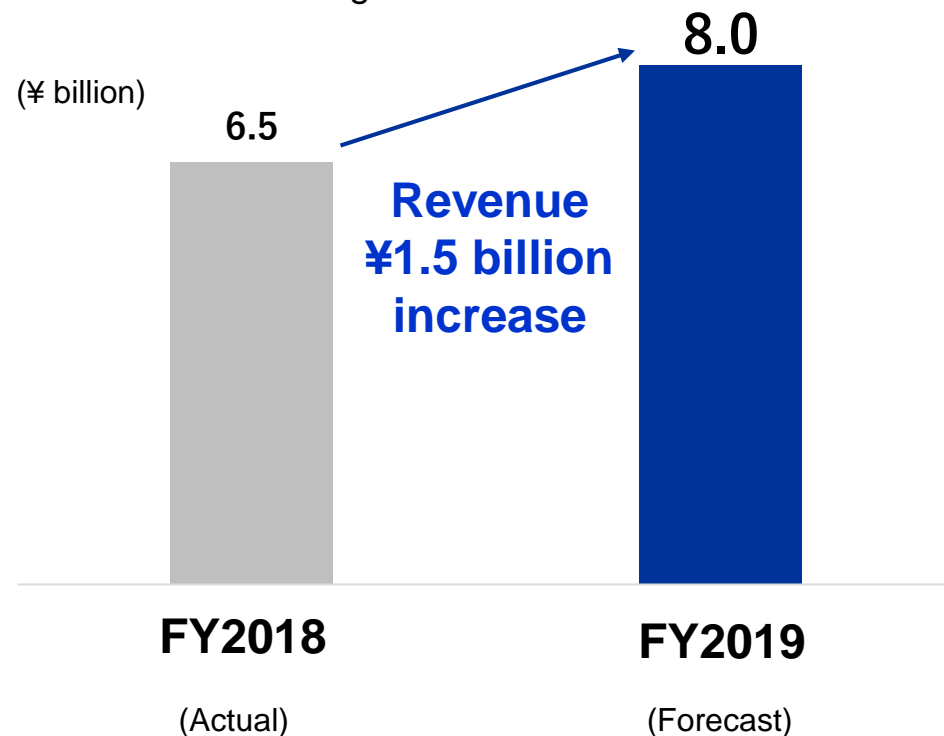
Example of orders

Tokyo: Highrise tower apartments in Minato-ku	550 homes
Osaka: Bay area large-scale development	330 homes
Fukuoka: Composite development including tower apartment buildings	786 homes
etc.	

Expansion of revenue through revision of SKY Perfect JSAT facility usage fees

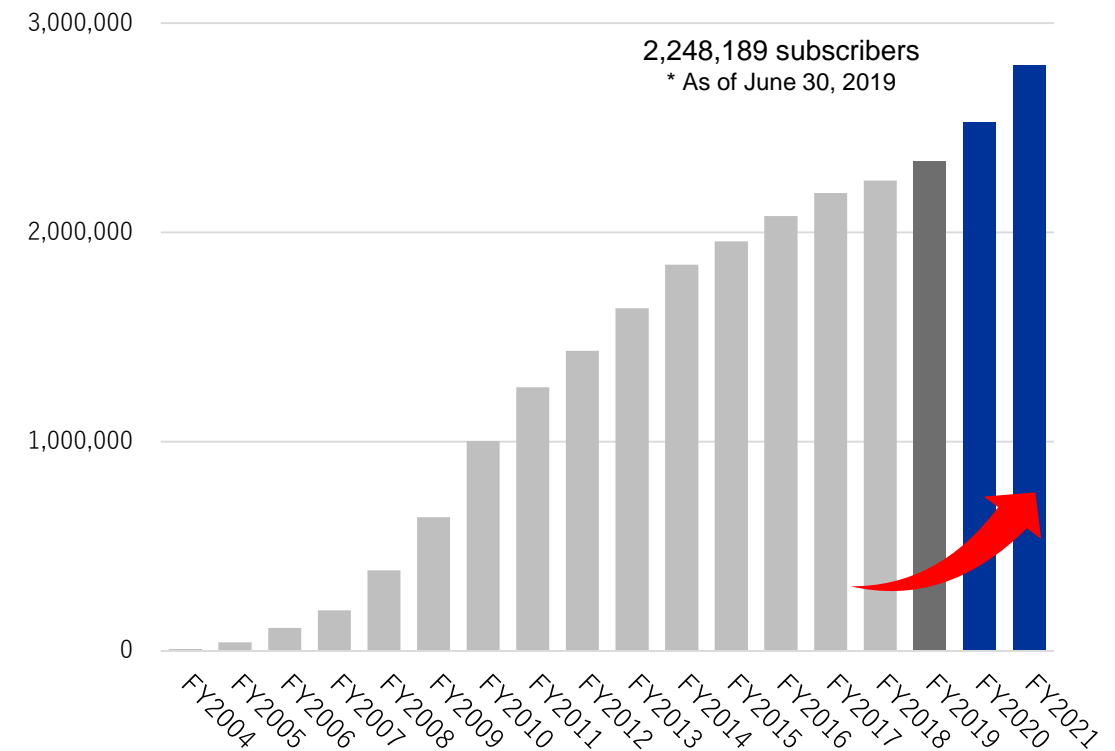
December 2018: Price increase through expanded services(¥210→¥300 per month)

<Television viewing service registration fees/usage fees>



Expansion of new optical retransmission service accounts

Strengthened promotion with new 4K/8K broadcasting as a tailwind



■ European Soccer begins



Aug. 16
New season
starts

All Bundesliga matches broadcast
Broadcasting Shoya Nakajima and the
Portuguese League

■ Rugby World Cup 2019™



Sep. 20
Season
opener

Live 4K broadcasting of all 48 games during the
Rugby World Cup 2019™ in Japan (JSPORTS 4K)

■ Music



Exclusive live
broadcasts
Aug. 17 and 18

a-nation 2019
Performers: AAA, TOHOSHINKI, others
(BS SKY PerfecTV!, MUSIC On! TV)



2nd LIVE
"REUNION"
exclusive
broadcast

IDOLiSH7 Live
October - November broadcast
(BS SKY PerfecTV!, MUSIC On! TV)

Online streaming-only new soccer product

Provided contents

Bundesliga: All matches broadcast live

Portuguese League: All matches with Shoya Nakajima scheduled to play broadcast live

Price

¥925 per month (excluded tax)

ブンデス・ポルトガル LIVE



Sales launch date

August 1, 2019 (Thursday)

- * Missed matches can be watched on-demand for 72 hours from the start of on-demand broadcast
- The current SKY PerfectTV! Soccer Set (¥2,980) will continue to be available with TV! On-Demand



Collaboration on "next-generation television"



LINE x SKY PerfectTV!



TV makes the home fun.

[Next-generation television]

Aiming for a never-before-seen new display (in-home HUB) and integration of life services and media services.

For example,

Shopping



Today's menu

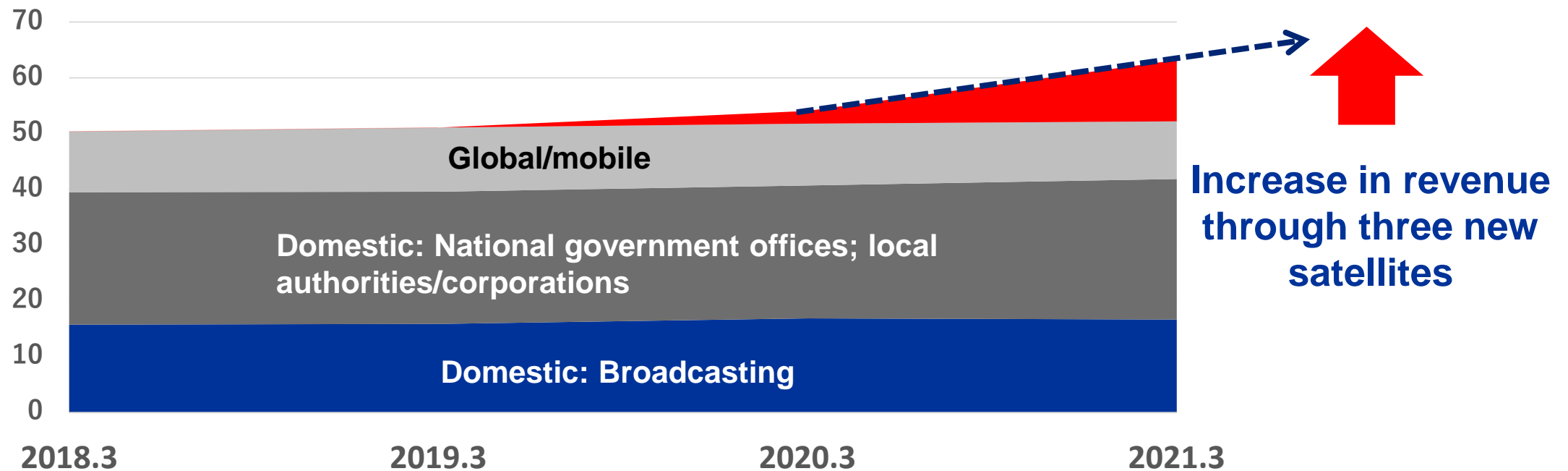
Healthcare



Space Business

- We seek to achieve revenue exceeding 60 billion yen by FY2020 targeting the global mobile market, with a focus on Asia and Horizons 3e have steadily made contracts.

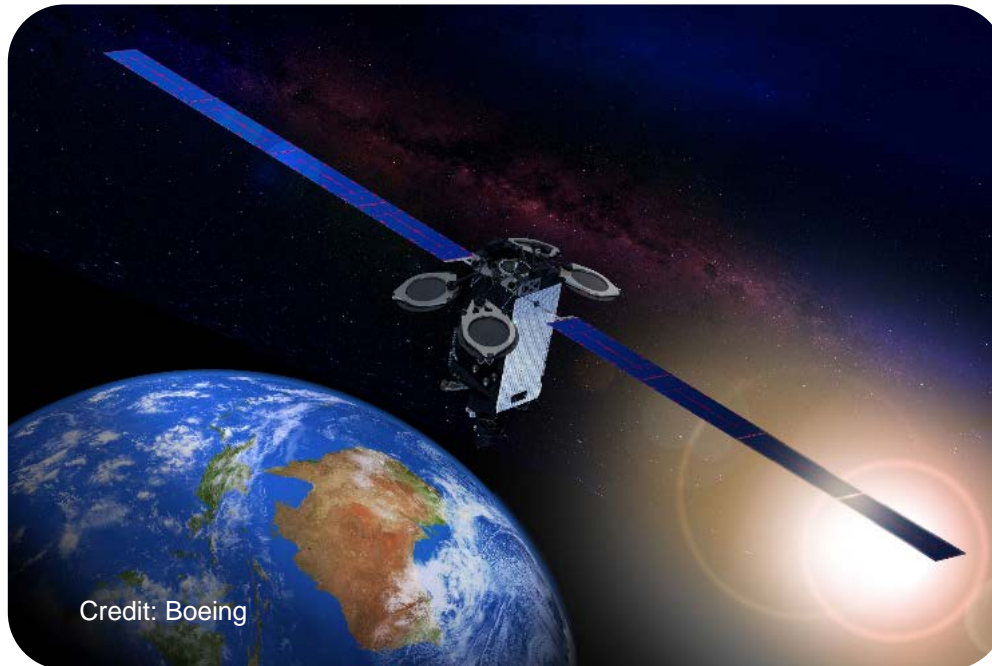
Unit: billion yen



*One time Revenue from the sale of satellite and ground facilities are excluded

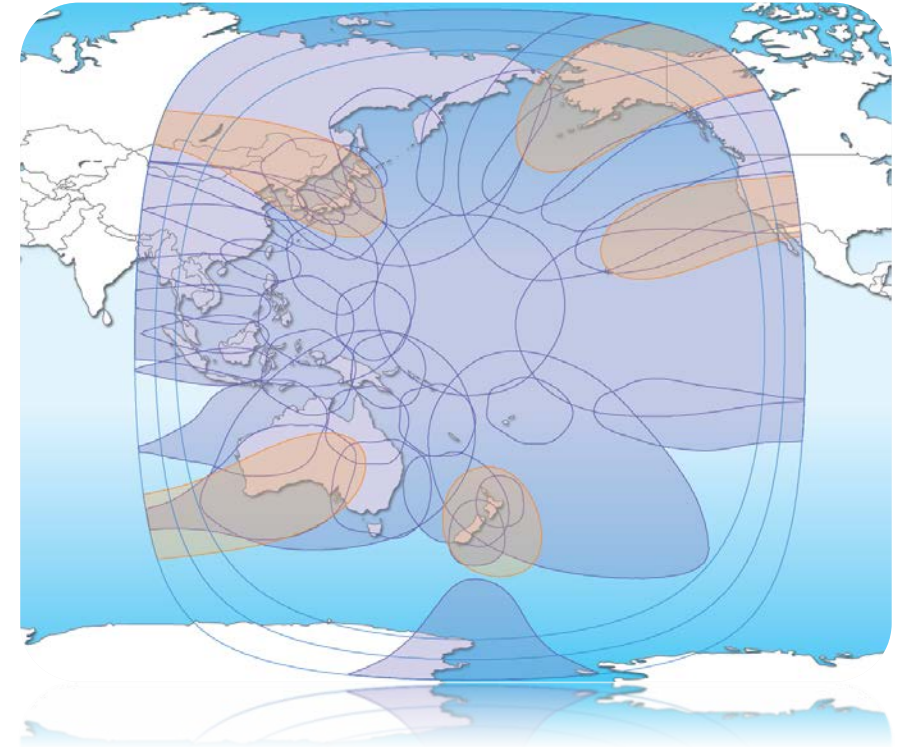
■ Horizons 3e

- The Company's first HTS satellite. Service started in January 2019.
- Service is currently available, with acquisition of new accounts progressing steadily in Japan and around the world. There are also contracts for planned start of use in the future, and further expansion of revenues is anticipated.



Horizons 3e
Illustration

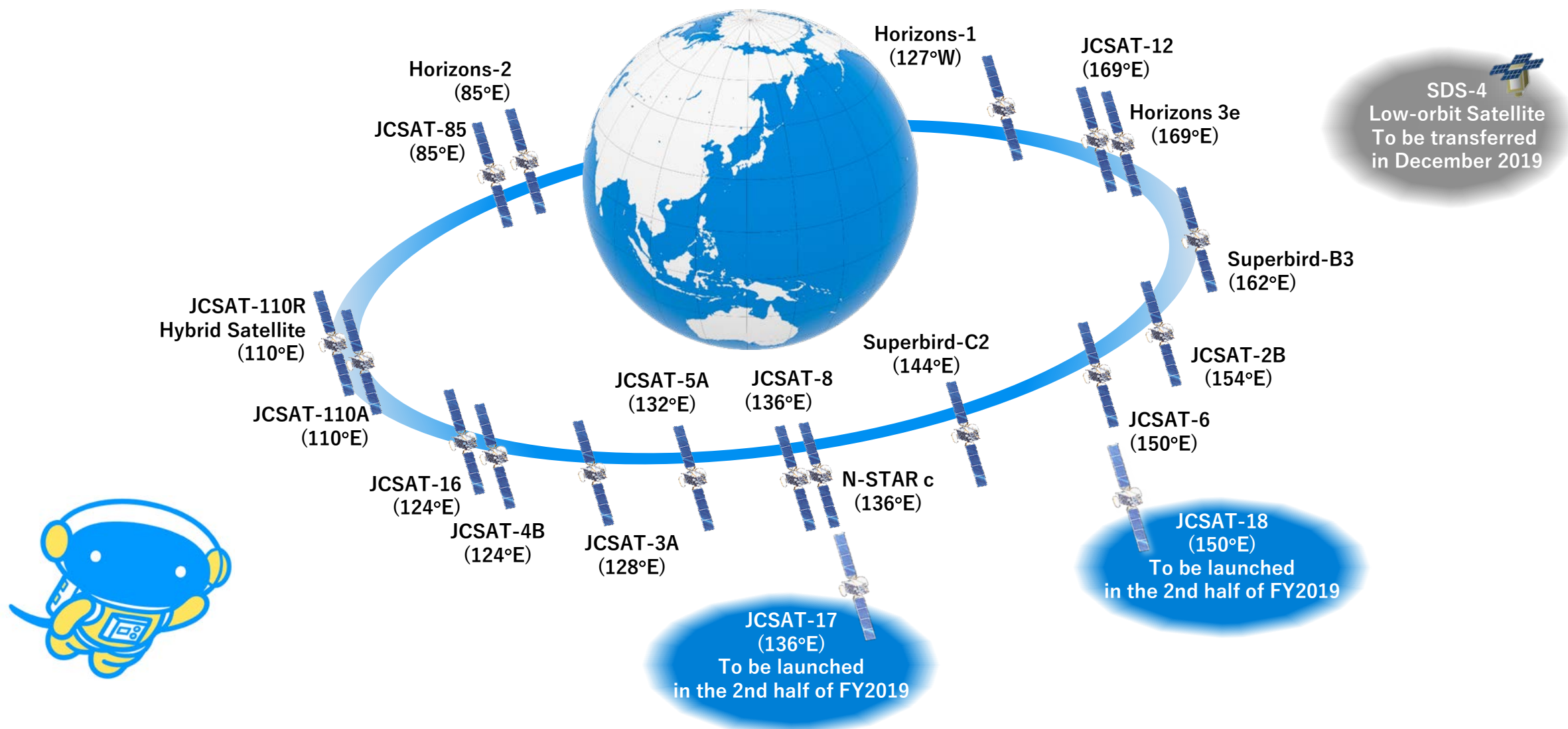
Horizons 3e coverage map



Overview of the Horizons 3e satellite

- Launch of service: January 2019
- Orbital position: 169 degrees east longitude
- Main coverage: Asia Pacific

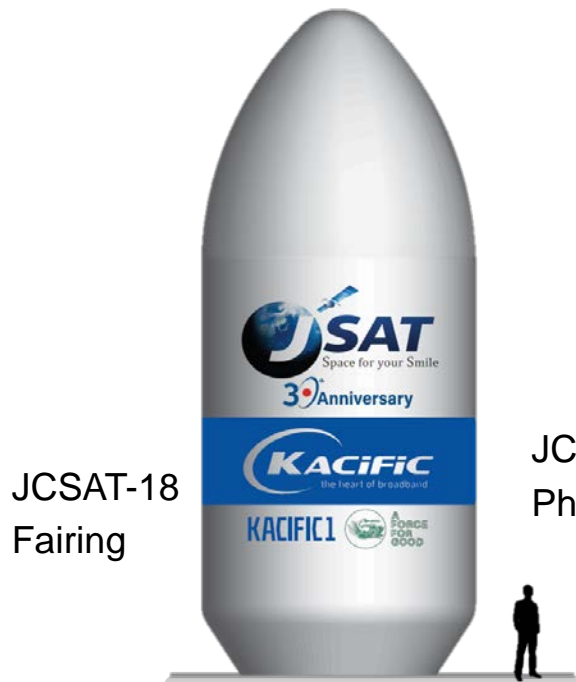
Total of 17 satellites covering from North America to the Indian Ocean



References

■ JCSAT-18

- The Company's second HTS satellite. Construction is currently progressing steadily.
 - Currently providing proposals, mainly for mobile backhaul and mobile usage. Public sector, etc., usage has already been decided.
- In combination with Horizons 3e, respond to demand in the Asia Pacific region.

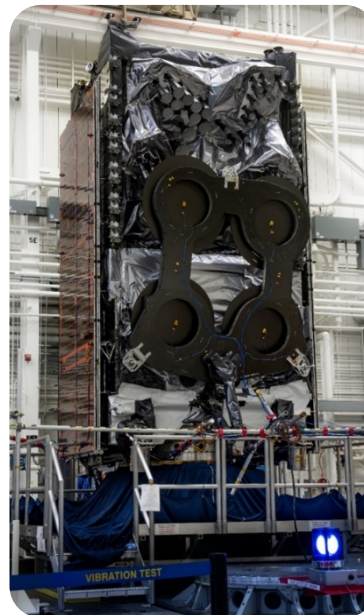


JCSAT-18
Fairing

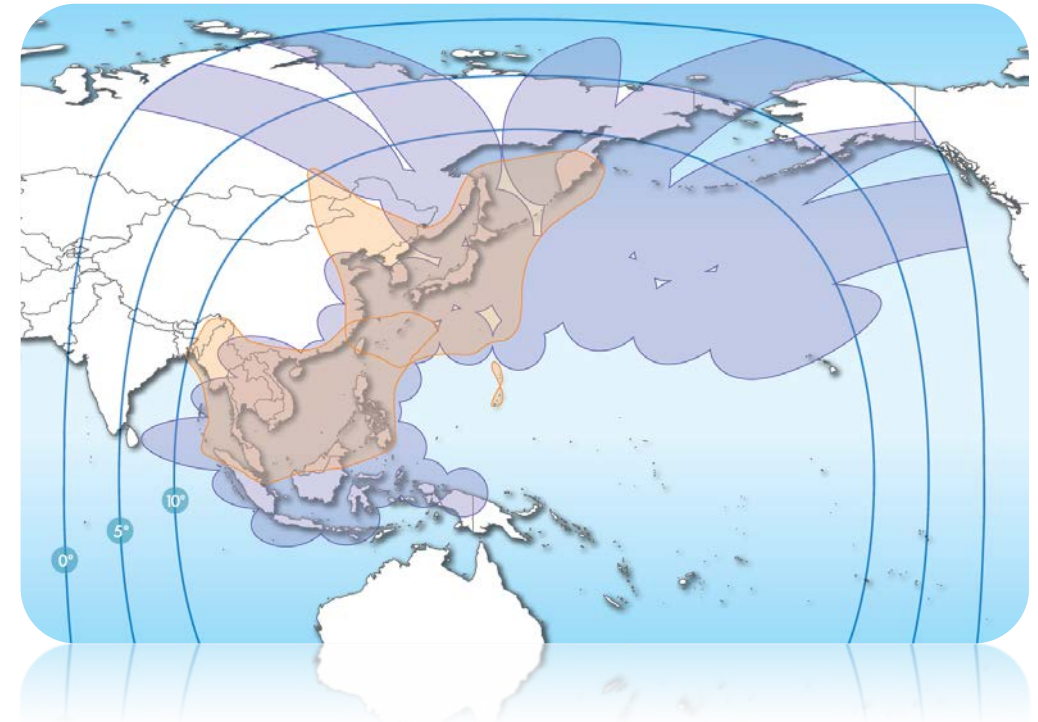
JCSAT-18

Photograph of construction

Photo credit: Boeing



JCSAT-18 coverage map



Overview of the JCSAT-18 satellite

- Launch: Second half of FY2019
- Orbital position: 150 degrees east longitude
- Main coverage: Asia Pacific, Russian Far East

■ JCSAT-17

- Long-term usage planned by NTT DOCOMO, INC.
- Equipped with S band and C band for mobile communication.

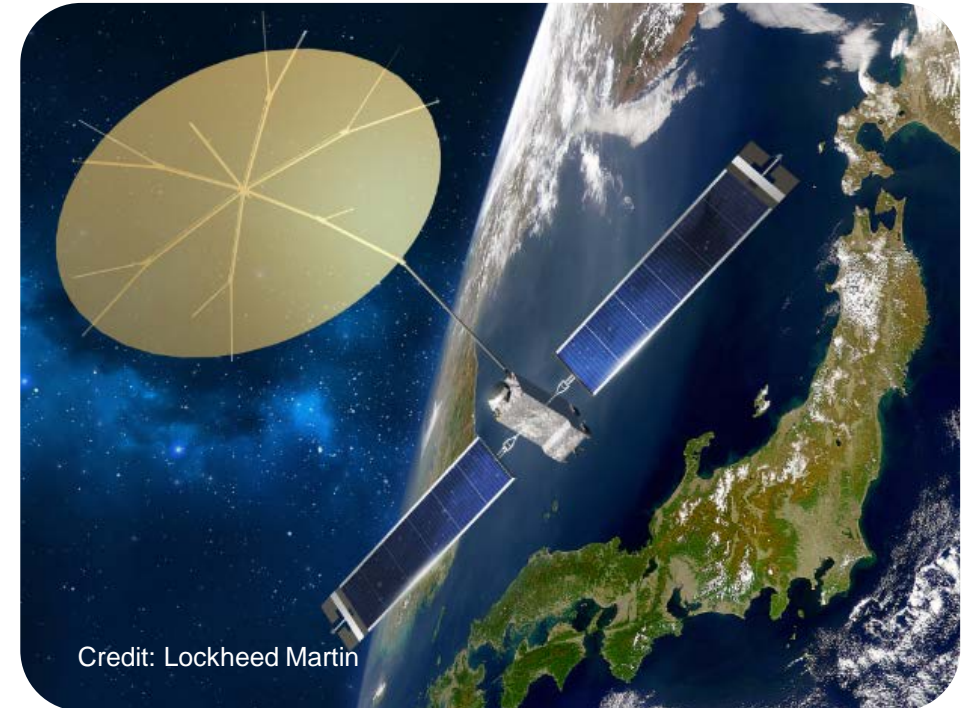
Provision of services for Japan.



JCSAT-17
Photograph of construction

Credit: Lockheed Martin

JCSAT-17 Satellite (illustration)



Credit: Lockheed Martin

Overview of the JCSAT-17 satellite

- Launch: Second half of FY2019
- Orbital position: 136 degrees east longitude
- Major coverage area: Japan and surrounding waters
- Radio Frequencies: S-band, C-band and Ku-band

Summary of Income Statements by Business Segment(FY2018/1Q~FY2019/1Q)

(Year-on-year Comparison)

- Media Business revenue had decreased due to decreasing subscription fee revenue, etc.
- Optical retransmission service contributed to revenue of Media Business by 0.5billion yen.
- Space Business revenue and profits had decreased due to handover of the satellite to the Ministry of Defense
- Horizons 3e contributed to revenue of Space Business by 0.1billion yen.

(Unit: ¥ millions)

	FY2018					FY2019
	1Q	2Q	3Q	4Q	Full-Year	1Q
Revenue	58,772	35,066	34,716	35,458	164,014	34,519
Media Business	25,857	25,368	25,160	25,109	101,495	24,985
Space Business	35,541	12,266	12,221	13,359	73,389	12,570
Consolidated Eliminations	(2,626)	(2,569)	(2,665)	(3,009)	(10,870)	(3,037)
Operating Income	4,646	4,969	3,033	2,642	15,290	3,694
Media Business	797	2,055	19	(343)	2,528	654
Space Business	4,034	3,082	3,170	3,142	13,430	3,225
Consolidated Eliminations	(185)	(168)	(156)	(157)	(668)	(185)

Key Performance Indicators for Media Business (*)

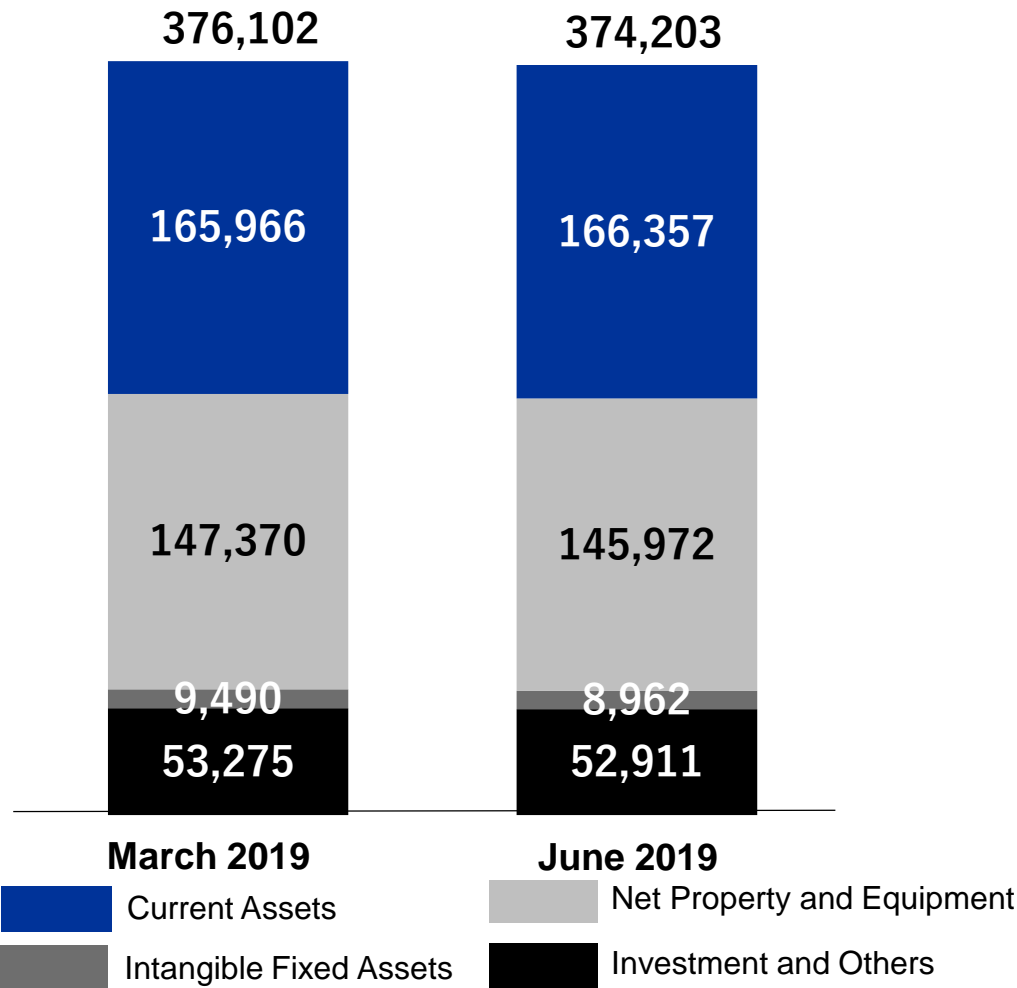
- Number of cumulative subscribers increased to 3,275 thousands, 6 thousands plus compared to the same period of the previous year.
- Number of Cumulative Contractors decreased to 2,772 thousands, 107 thousands minus compared to the same period of the previous year.

	2018/1Q	2019/1Q	FY2019 Target
Number of New Subscribers and Re-subscribers (unit : thousands)	155	176	572
Net Increase in Subscribers (unit : thousands)	7	28	(66)
SKY PerfecTV /	20	48	37
SKY PerfecTV / Premium Service	(13)	(19)	(99)
SKY PerfecTV / Premium Service Hikari	0	(1)	(5)
Number of Cumulative Subscribers (unit : thousands) *Number of subscribers who concluded a pay-subscription agreement.	3,270	3,275	3,181
Number of Cumulative Contractors (unit : thousands) *Number of subscribers by contract. Multiple pay-subscription agreements by the same contractor are counted as one.	2,879	2,772	2,713
Average Monthly Subscriber Payment (unit: JPY)			
SKY PerfecTV /	3,304	3,256	—
SKY PerfecTV / Premium Service	3,742	3,674	
SKY PerfecTV / Premium Service Hikari	5,284	5,254	

Consolidated Balance Sheets

Assets

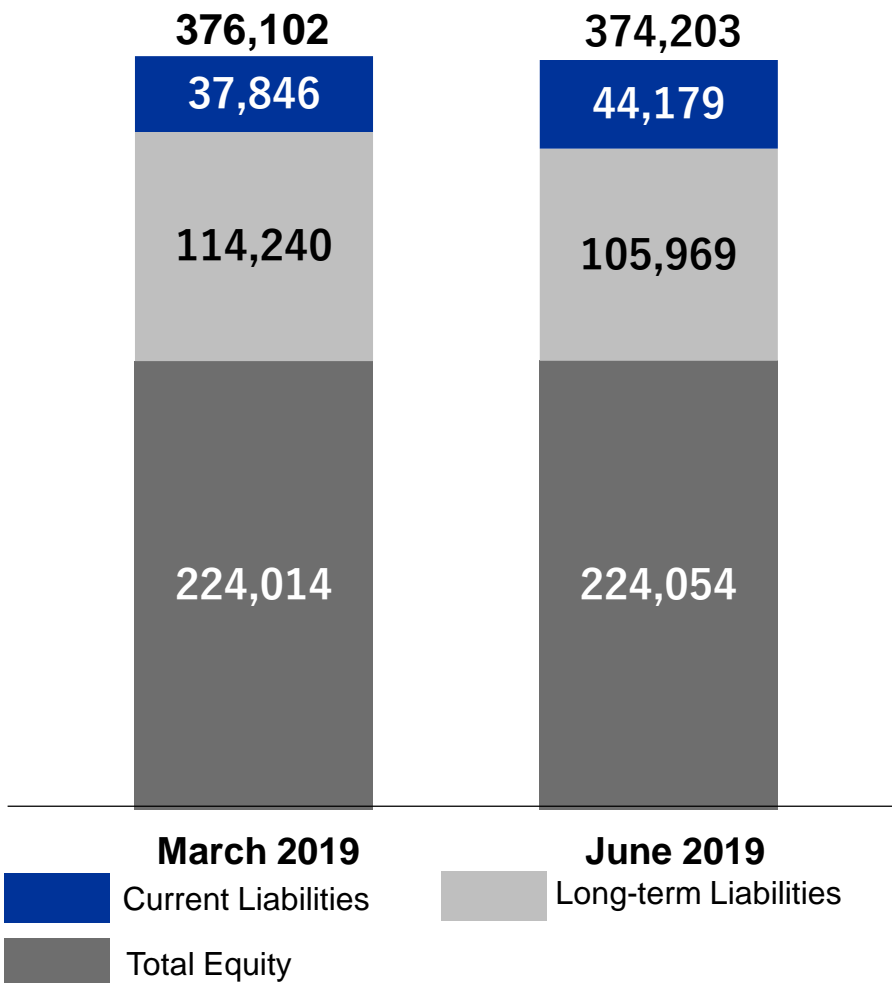
(Unit: ¥ million)



Liabilities and Equity

Equity Ratio : 58.9 %

59.2% (Unit: ¥ million)



(Unit: ¥ million)

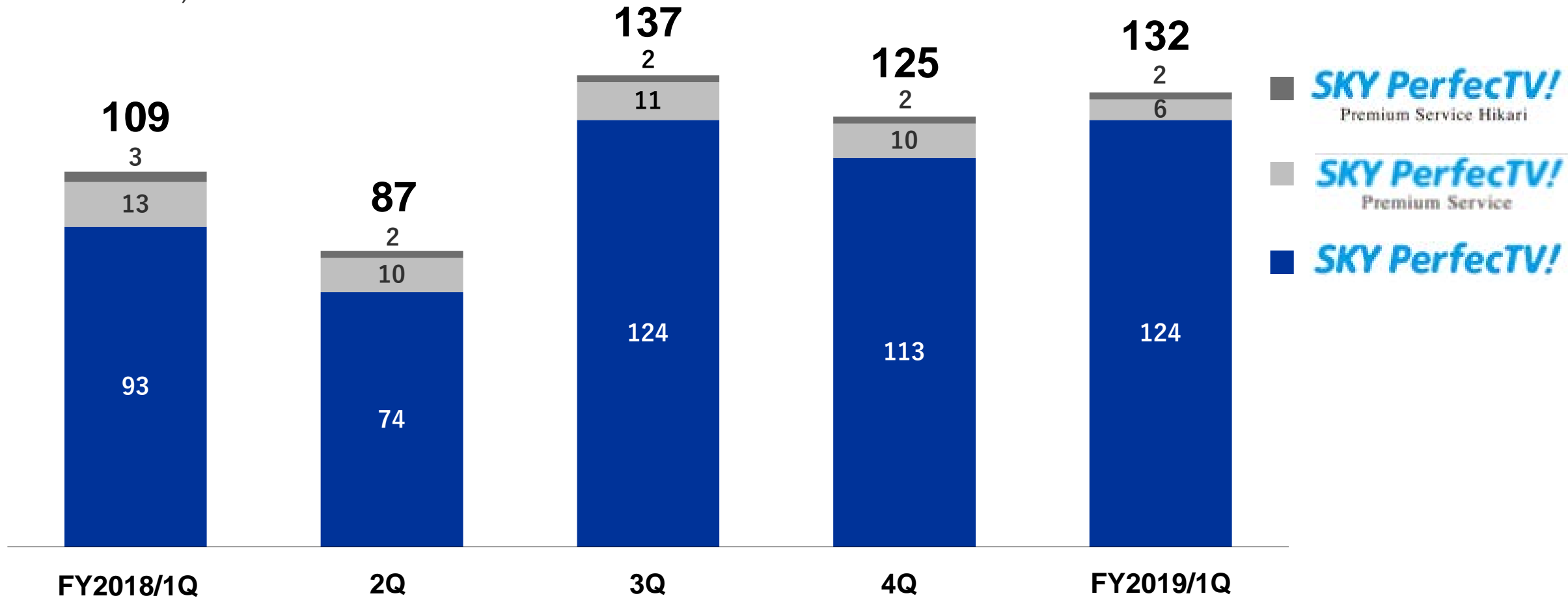
	FY2018/1Q	FY2019/1Q
Net Cash from Operating Activities	7,877	13,524
Net Cash from Investing Activities	10,139	(6,868)
Free Cash Flows ^{*1}	(2,261)	6,656
Net Cash from Financing Activities	9,076	(5,197)
Cash and Cash Equivalents at Term-End(a)	53,072	49,545
Term-end Balance of Interest-bearing Debt*2 (b)	104,841	105,070
Term-end Balance of Net Interest-bearing Debt (b)-(a)	51,768	55,524

*1. Sum of Net Cash Flows from Operating and Investing Activities

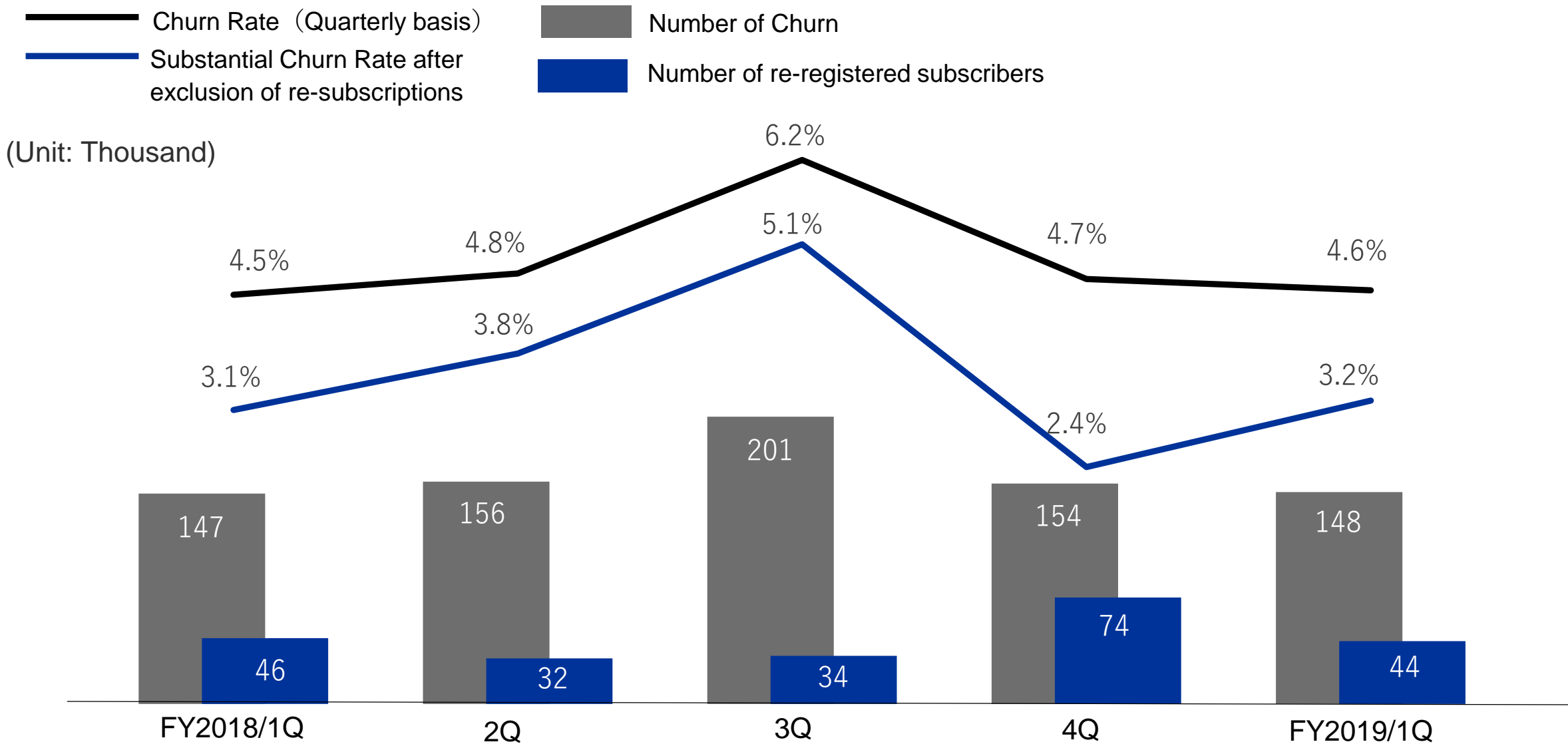
*2. Term end balance of debts and unsecured corporate bonds

Number of New Subscribers

(Unit: Thousand)

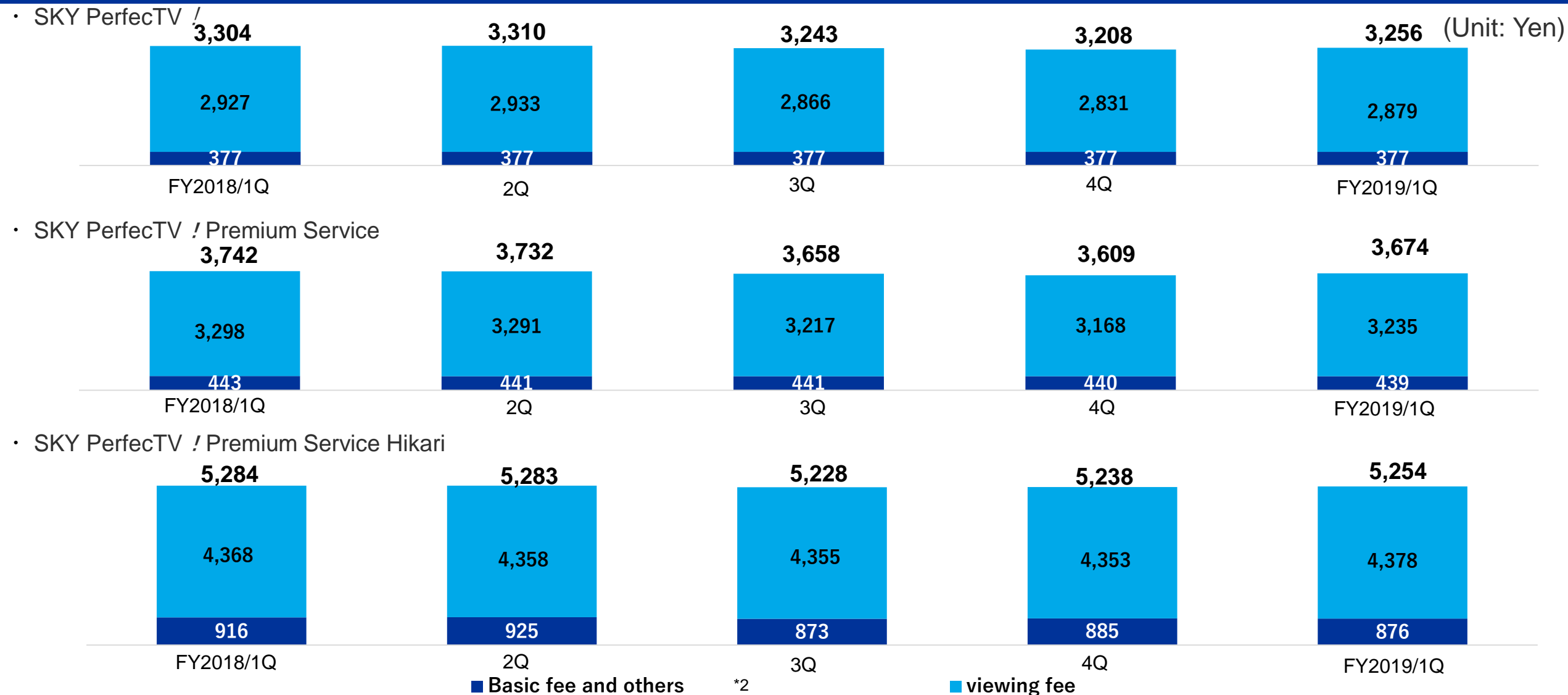


Churn Rate



Note: The churn rate is calculated by dividing the total number of churns for each quarter with the cumulative number of subscriptions at the end of the preceding fiscal year.

Subscriber Payments*1



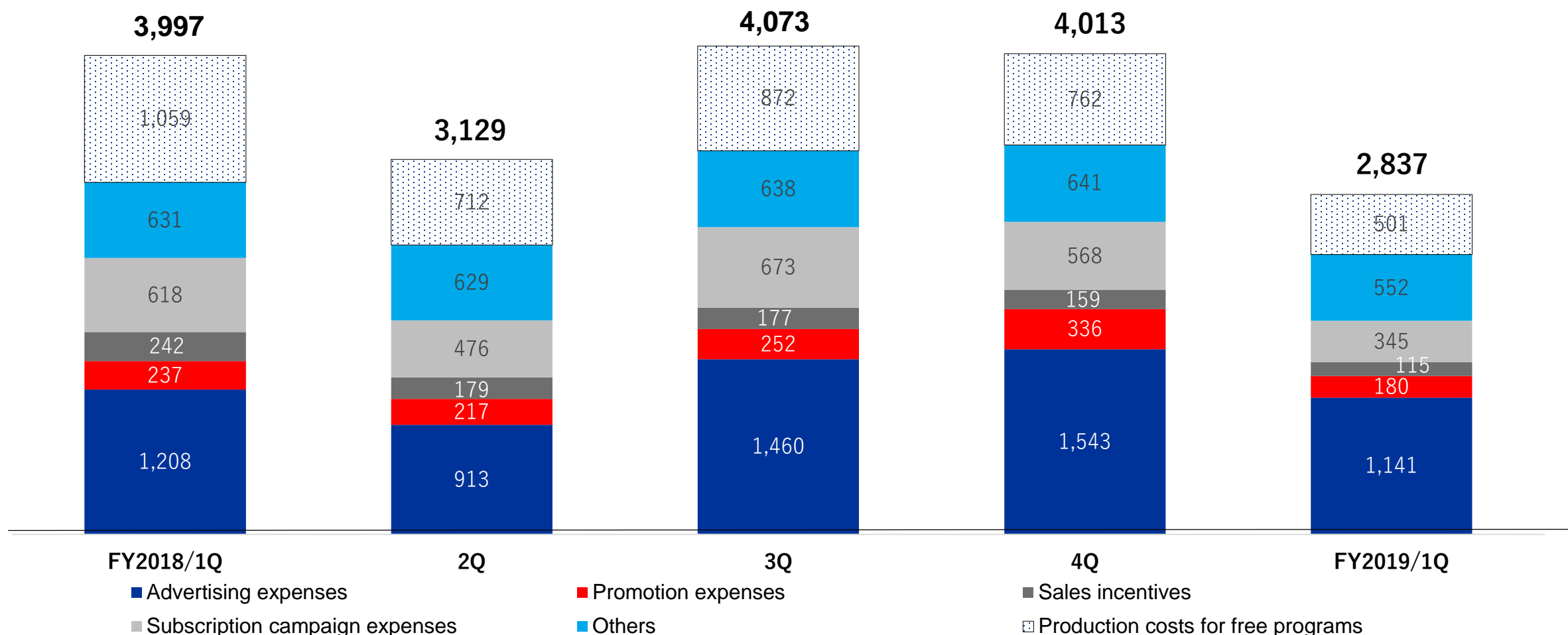
*1. Average amount paid by subscribers in the form of monthly viewing fees, etc. These figures are calculated based on number of cumulative contractors.
30% of subscriber payments for SKY PerfectTV! is recognized as commission fee revenue.

100% of subscriber payments for SKY PerfectTV! Premium Service and SKY PerfectTV! Premium Service Hikari is recognized as viewing fee revenue.

*2. Basic fee and others : Basic fee and rental fee of set top box

Total Subscribers Acquisition Cost (SAC)

(Unit: ¥ million)



Advertising expenses : Advertising expenses for various media.

Promotion expenses : Promotion cost to acquire new subscribers.

Sales incentives : Incentives and agency fees for electronics retail stores and mobile carriers.

Subscription campaign expenses : Cost of campaigns to acquire new subscribers (free of charge antenna installation, etc.).

Production costs for free programs : Costs associated with production cost for free programs, such as BS SKY PerfectTV!.

Others : Operation costs of SKY PerfectTV! customer center etc.

Space for your Smile

Toward a world where
uncertainty turns to peace of mind,
difficulty turns to ease,
and interest turns to passion